

OPERATING BUDGET - Exhibit E

Projections of city income and expenditures during the city's first three full years of operation are included in this exhibit. (REVISED 18 JUNE 2003 TO REFLECT GOVERNOR MURKOSKI'S VETOES)

		Year 1	Year 2	Year 3
EXPENSES	City Clerk ¹	46,000	46,000	46,000
	CPA Fees ²	11,000	4,000	4,000
	Insurance ³	15,000	15,000	15,000
	Attorney ⁴	20,000	12,000	12,000
	Equipment	7,000	7,000	7,000
	Gustavus Emergency Response	10,000	10,000	10,000
	Phone/Postage/Utilities	2,500	2,500	2,500
	Elections costs	1,000	1,000	1,000
	Planning (retainer fees) ⁵	12,000	12,000	12,000
	Travel	6,000	6,000	6,000
	Library	10,000	10,000	10,000
	Landfill	10,000	10,000	10,000
	Road Maintenance ⁶	60,000	60,000	60,000
	Contractual ⁷	40,000	40,000	40,000
	Reserve Fund ⁸	43,589	43,589	43,589
TOTAL EXPENSES		\$294,089	\$279,089	\$279,089
INCOME	Organizational grant	50,000	25,000	
	Revenue Sharing	0	0	0
	Municipal Assistance	0	0	0
	Raw Fish Tax	4,500	4,500	4,500
	DCED Fish Tax	1,659	1,659	1,659
	Forest Receipts ⁹	102,000	102,000	102,000
	PILT ¹⁰	38,850	38,850	38,850
	Capital Matching Grant	0	0	0
	Temporary Fiscal Relief 04'	3,500	0	0
	2% bed tax ¹¹	49,151	49,151	49,151
	2% sales tax ¹²	140,000	140,000	140,000
TOTAL INCOME		\$389,660	\$361,160	\$336,160
SURPLUS		\$95,571	\$82,071	\$57,071

¹ This can be full time or two half time positions if income allows. A half time position is all that is required

² First year expense includes audit to change from GCA to City of Gustavus. Each preceding year includes an amount for an audit, which will be done every three years. Includes yearly income tax preparation

³ Insurance for all buildings, including the library and all GER vehicles

⁴ Excess fees included for the first year to set up the new government

⁵ Fees to be paid to engineers etc. for planning & improvements. Some State grants require projects to be plan ready for construction

⁶ Paid for from Forest receipt funds. We plan to maintain all 50 miles of public roads that are not State maintained.(as funds allow) City will not purchase or maintain any equipment, but will contract road work.

⁷ Examples of contractual services might be Gustavus Community Clinic and Government consultants. No dollar amount can be given for these services at this time, until initial government formation and further public discussion.

⁸ Reserve fund will hold funds that may be used each year or carried over to the next year. They may be used for repair and improvements for landfill, GER, Roads, dock and harbor, health clinic and library.

⁹ These monies would go to the borough if Glacier Bay Borough forms and would be used for schools. A portion would be passed back to the City of Gustavus (Sheinburg report)

¹⁰ These monies would go to the borough if Glacier Bay Borough forms and then pass back to City (Sheinburg report)

¹¹ Actual bed tax will be 4%, but one half of this goes to Gustavus Visitor Association, an amount of \$49,000, for advertising for local businesses

¹² Based on report done by Sheinberg Assoc. for the City of Hoonah in Jan. 2001 re Glacier Bay Borough formation